ISSUE: A Permanent Solution to Poverty
The Millennium Development Goals (MDGs) challenge industrialized nations to partner with poor countries in fighting deadly poverty by providing resources through development aid, debt cancellation, and fairer trade rules. While aid and the cancellation of debts provide short-term relief to the world’s poor, fairer trade rules offer a more permanent solution.

No person or community in a poor country wants to rely forever on foreign generosity for the provision of basic needs. A fair-trade system would allow the people of the developing world to use the initial investments of development aid and debt cancellation to compete fairly and independently in the world’s markets and enrich their nations. Unfortunately, international-trade rules make it difficult for developing countries to compete. Reforms aimed at correcting the effect of these rules (detailed below), could net poor countries as much as $700 billion every year. In 1980, Africa held a six percent share of the world’s trade market. Today, this share is just two percent. If Africa could regain just an additional one percent of the world’s trade market, it would earn $70 billion more in exports each year: several times more than what the region currently receives in development aid.

BACKGROUND: Dimensions of an unfair system
The world-trade system contains many inequities and imbalances, each of which works to keep people living in poverty. Rich countries protect their own markets against exports from developing countries with import duties and quotas. Rich countries also subsidize their own farmers and agricultural producers at a rate of one billion dollars a day, making it all but impossible for farmers from the developing world to compete in world markets.

Developing countries seeking to strengthen their economies know they need to diversify their exports away from unprofitable basic crops such as coffee and cocoa and into products which earn more money, such as clothes, textiles and manufactured goods. Trade rules that encourage this diversification are desperately needed. Even the export of basic crops, however, would be far more profitable for poor countries if international-trade rules did not punish them for processing them for export. (As an example, African countries that export raw cocoa to Europe can do so with no tariff, but if the African country chooses to process that cocoa – tinning, roasting, or labeling it – it would face a 25 percent tariff for export.)

Trade rules generally are written by rich countries. The World Trade Organization (WTO) is the primary rule-making body, but of the 38 African nations which are members of the WTO, 15 nations have no representative at all.
at the headquarters in Geneva, and four nations have an office of only one person. Most rich nations have dozens of
staff to protect their trading interests.

**U.S. AND INTERNATIONAL POLICY: What has to happen to make trade fair?**

A fair-trade system that empowers poor people around the
world requires several commitments from rich countries. First, rich countries must open their markets to developing-country
exports without quotas and duties. Additionally, developing
countries must be allowed to negotiate country-specific trade
schemes designed to alleviate poverty and spur economic
growth. International-trade agreements also must protect labor
and human rights for all. Perhaps most fundamentally, rich
countries should move toward making their own agricultural
sectors sustainable without commodity subsidies.

In the United States, Congress and the next President should
work together to send a strong message to the international
community to resume the “Doha Round” of negotiations to
make international-trade rules fair immediately. These
negotiations, which began in 2001 but have since floundered,
were intended to focus on the relationship between trade and
development, and produce fairer rules that allow millions of
people to lift themselves out of poverty. **United States farm
subsidies** – the vast bulk of which go to the largest one percent
of American corporate farms rather than our nation’s family
farmers – are also a major contributor to global poverty, sucking
tens of millions of dollars each year from developing-country
economies, particularly in West Africa, where family-led cotton
farming is the major backbone of national economies. *(See Box)*

Subsidy reform must be a key priority of the next U.S. President. Even though U.S. farm programs don’t come
up for debate again until 2012, the strength of the opposition to reform will require people of faith and others to
begin working with lawmakers and the administration immediately in 2009.

**WHAT YOU CAN DO**

Join the ONE Episcopalian campaign at www.episcopalchurch.org/ONE. You will receive messages urging you to
e-mail your lawmakers in support of key initiatives related to fair trade, particularly with respect to the U.S. farm
bill. Your voice, along with the voices of the 2.4 million other Americans who have joined the ONE Campaign, is
the way through which the United States will help the make trade fair for all God’s people. If you’re interested in
deeper engagement in the ONE Episcopalian campaign in your local community, send an email to Alex
Baumgarten at abaugarten@episcopalchurch.org.

**GENERAL CONVENTION RESOLUTIONS RELATED TO FAIR TRADE**

The Episcopal Church supports fair-trade rules as a result of its resolutions in support of the Millennium
Development Goals (MDGs) in 2003 (D006) and 2006 (D022). *(The MDGs call for fair-trade rules, alongside
development aid and debt cancellation, as a way for rich-country resources to fuel poverty-reduction efforts.)*